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INFO RUEHAM/AMEMBASSY AMMAN PRIORITY 7871
RUEHEG/AMEMBASSY CAIRO PRIORITY 4458
RUEHLO/AMEMBASSY LONDON PRIORITY 3764
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3409
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L JERUSALEM 002020

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NEA FOR FRONT OFFICE; NSC FOR ABRAMS/SINGH/WATERS

E.O. 12958: DECL: 09/24/2017

TAGS: [KWBG](#) [PBTS](#) [IS](#) [PREL](#)

SUBJECT: UK REQUESTS USG ASSISTANCE REGARDING PLANS TO
DEVELOP SHEPHERD HOTEL PROPERTY

REF: A. JERUSALEM 05067

[B](#). JERUSALEM 03620

[C](#). JERUSALEM 00299

Classified By: Consul General Jake Walles, Reasons 1.4 (b)
and (d).

[1](#). (C) Summary: In a September 17 meeting with PolChief, the British Consul General requested USG support to prevent demolition of the Shepherd Hotel in East Jerusalem and the construction of an Israeli apartment complex in its place. Local contacts say a new Israeli development in East Jerusalem would irritate Israeli-Palestinians relations and prejudice permanent status discussions. The hotel's guardian confirmed that the Jerusalem Municipality approved the plans, and that the owner is waiting for GOI Interior Ministry approval. An Ateret Cohanim spokesman declined to discuss the issue with PolOff, except to confirm that unnamed "Jewish interests" plan to construct a new neighborhood on the site. End summary.

BRITISH REQUEST USG ASSISTANCE ENCOURAGING
ISRAEL TO STOP DEVELOPMENT PLANS

[2](#). (C) British Consul General Richard Makepeace told PolChief on September 17 that HMG is concerned about the development of the Shepherd Hotel property into an Israeli apartment complex, and requested USG assistance in preventing the construction. The Shepherd Hotel is located on property neighboring the British Consulate General in East Jerusalem. Makepeace said British concerns include the proximity of six eight-story buildings adjacent to the British Consulate. He said the UK's main concern, however, is that this would be a new Israeli neighborhood in East Jerusalem.

OTHER CONCERNED PARTIES SEE NEW
DEVELOPMENT AS DETRIMENTAL

[3](#). (C) The Shepherd Hotel compound belonged to the Mufti Haj Amin Husseini prior to his exile during the British Mandate. It served as a hotel from 1945 until 1967 when the site was confiscated as absentee property by the Government of Israel. AmCit Irving Moskowitz acquired the property in 1985, although the details of the acquisition are unclear. The hotel was used by the Israeli Border Police at various times after Moskowitz acquired the property. Currently, the building is run down and empty. An Israel Antiquities Authority's office is on the same property behind the hotel.

14. (C) Hiba Hussayni, a member of the family that claims ownership of the Shepherd Hotel, explained that the development of high-rise, Israeli apartment buildings in the Shaykh Jarrah neighborhood would dramatically alter the nature of the neighborhood. (Note: Shaykh Jarrah consists principally of two- and three-story buildings and is home to mostly Palestinians and foreigners. End note.) Hussayni told PolChief that the hotel property changed hands through the Absentee Property Law in the 1980s. Since then, Hussayni said, she has pursued various legal options for getting the Shepherd Hotel back with no results.

15. (C) Jerusalem attorney Danny Seidemann told PolChief that this neighborhood, should it be built, would create another link in the chain of Israeli neighborhoods in East Jerusalem. Seidemann said he believes this activity prejudices permanent status issues and commented that it is imperative for the international community to intervene before construction begins. He encouraged the USG to act without drawing public attention to the issue.

16. (C) Yusif Nabils, the guardian of the Shepherd Hotel property, told PolOff on September 23 that the Jerusalem Municipality had approved the demolition of the hotel and the construction of the apartment buildings. Nabils said the owner of the property, Irving Moskowitz, is waiting for approval from the Israeli Ministry of Interior before proceeding with the project.

ATERET COHANIM "NOT AT LIBERTY TO DISCUSS"

17. (C) Daniel Luria of Ateret Cohanim told PolOff on September 23 that he was not at liberty to discuss Ateret Cohanim's involvement in the development of the Shepherd Hotel property, but confirmed that unnamed "Jewish interests"

were on the verge of constructing a neighborhood on the site.

COMMENT AND RECOMMENDATION

18. (C) Proceeding with the development of this property at this time would be an irritant and a distraction at a moment when promising Israeli-Palestinian contacts are underway. ConGen recommends that the USG raise the issue with the GOI. While we doubt that our intervention will prevent this project from ultimately moving ahead, we may be able to slow it down and avoid a dispute highlighting land issues in Jerusalem in the next few months.

WALLES